

RUSO-BRITISH DEAL DEPENDS ON SOVIETS

Some High English Officials
Suspect Sinister Design in
Trade Complications.

EXPECT BIG RED DRIVE

Moscow's Haggling Believed to
Be Inspired by Bolshevik
Designs.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau.
London, Jan. 12.

When Leonid Krassin, Bolshevik Minister of Trade and Commerce, set out from London for Moscow yesterday he did not leave behind him in England much optimism regarding an early ratification of the Anglo-Russian trade agreement. He is carrying to Russia the final draft of the agreement, but the Board of Trade here frankly admits the situation is no clearer now than it has been for many weeks.

About the only noticeable feeling in official circles here is one of relief that M. Krassin is gone. He has made friends here and has been a good citizen—not radical personally or in his presentation of the Soviet side—but the long negotiations and haggling over lesser points of the agreement have tried the patience even of those who were most desirous of seeing the arrangement perfected.

The question of trade between England and Russia can be said now to be entirely up to Moscow. About the only difference between them lies in the question of the receipt of gold in payment of the goods shipped to Russia. Under the British law any Russian gold found here is liable to attachment by creditors of the Russian Government. The Government here can in no way sidestep this cold fact except by legislation, which would be a bold step and one which many officials believe privately would be too high a price to pay for any foreign business.

In this lies rather a humorous aspect of the negotiations and one that shows how far apart are the two countries. Moscow has been unable, or has posed as being unable, to understand why such a powerful Government as the British cannot sweep this technicality aside with a single dictum. M. Krassin has represented that his Government cannot conceive that the British Government is not mightier than the British laws.

Diplomatic advice from Moscow, boiled down to plain language, amount to this: "What is the matter with your firing squads that you can't keep goodly hands off the gold you want from us?" In other words, each Government has been trying to do business its own way, and it has been found that the Soviet Government's way of doing business is not the British way.

The British Government therefore cannot under the laws give the Moscow Government official assurance that the Soviet gold will be entirely free from the authority of the British laws. It is more than likely that Moscow's stand on this issue is merely a blind to prevent trade experts here from getting at the real value of Russian business, a value which is seriously questioned in many quarters here.

M. Krassin may not come back to

Kerensky Fills World Recognize Old Regime

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Paris, Jan. 12.

THE Government of the United States and those of Europe must recognize the right of the elected members of the Russian Constituent Assembly who are now meeting in Paris to advise them regarding methods which will overthrow Bolshevism in Russia and at the same time conserve the principle of a great Russia undivided into a score of small irresponsible States, said Alexander Kerensky, head of the first provisional Government of Russia, which was in turn overthrown by the Bolsheviks.

"This must not be considered the assembly of any particular faction," M. Kerensky said to THE NEW YORK HERALD correspondent. "It is representative of all shades of Russian public opinion."

M. Kerensky's programme includes a decision that Russian gold cannot be bartered by the Soviet, but that commerce between Russia and the rest of the world must be based on kind, rather than cash, or, in other words, that commodities must be exported from Russia to pay for goods the Russians receive.

London at all, since everything depends on what he finds awaiting him in Moscow. It is admitted that he has been merely a "dummy" here, taking orders and carrying out instructions, and without any real authority to follow his own initiative in any way.

If Lenin retains the upper hand, it is likely that Krassin will be able to close the deal, because it is known here that Lenin realizes that Bolshevism is a bad thing on which to build foreign business; but if Trotsky is running the "show" when Krassin crosses the stage he probably will never get in the spotlight.

In the meantime British officialdom does not seem to be worrying, for there is a growing sentiment here that Bolshevism is rather too shiftily for the straight lines of sound business.

Some high officials here have what might be called a strong suspicion that the Soviet Government has been deliberately complicating the trade negotiations with sinister purposes.

ZELGOWSKI'S ARMY AT VILNA COLLAPSING

RIGA, Jan. 12.—Rumors in circulation here report the evacuation of war supplies, artillery and archives from Vilna, the Lithuanian capital, which is now held by insurgent troops headed by Gen. Zelgowski, the former Polish commander. Gen. Zelgowski's army is said to be near a state of collapse and its members, it is reported, are disobeying their officers and plundering and robbing the population of the city.

George Tchitcherine, Russian Minister for Foreign Affairs, in cable advice from Moscow received by the Russian Soviet bureau in New York yesterday denied published rumors of mobilization of troops against Poland, Rumania "or any other country." "We want peace and a chance to work," the advice added.

AUSTRIA BANKRUPT, LEAGUE IS INFORMED

Plea for Revision of the Treaty
of St. Germain Made by
Baron Dumba.

LONDON, Jan. 12.—A Milan despatch to the London Times reports that at a meeting of delegates from League of Nations societies, held there today, Baron Dumba, former Austro-Hungarian Ambassador in Washington, asserted that Austria was bankrupt and expressed the hope the treaty of St. Germain would be revised. His expression was seconded by the Hungarian and Bulgarian delegates.

The question of the admission of former enemy States into the League of Nations was taken up by the delegates, including Austrian, Hungarian, German, Bulgarian and Italian representatives.

The Italian delegates declared "it was both the duty and interest of Europe to work for the economic reconstruction of the former enemy countries."

Bern, Switzerland, Jan. 12.—Prof. Joseph Redlich arrived here from Vienna this morning, announcing he was on the way to the United States to inform President-elect Harding of Austria's commercial, financial and political situation. Mr. Harding, according to Prof. Redlich, has agreed to receive him.

Prof. Redlich hopes to raise a loan in the United States, declaring that Austria finds the machinery of the League of Nations too cumbersome.

Austria is negotiating with a British banking syndicate for the establishment of a new Austrian bank of issue to replace the Austro-Hungarian Bank, which is in liquidation.

WASHINGTON, Jan. 12.—Inability of the Austrian Government to meet the demands of its employees for increased salaries, coupled with the shortage of food, was the specific cause for its decision to place the administration of the country's affairs in the hands of the allied powers, Hugh Frazier, the American Commissioner at Vienna, says in a cablegram received today at the State Department. Austrian experts had estimated that the food shortage was so great that the Government could not hope to control the situation after January 15.

It was learned at the State Department today that an economic conference of representatives of Austria and the Little States carved out of former Austria-Hungary, with representatives of the allied Governments in attendance in an advisory capacity, was planned.

The principal purpose is to devise, if possible, some working economic agreement that will not involve political union. The United States has been asked to have a representative at the conference, but it was indicated that the invitation would be declined.

The situation now presented by the collapse of the Austrian Government cannot be corrected, in the opinion of American students of the European situation, without the development of a plan that will enable the Austrians to be self-supporting, and back of that must be immediate tender of financial support.

RUSSIA MASSING TROOPS FOR DRIVE

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corridor from Smolensk to the Prussian frontier. They all feel very acutely the necessity of being in geographical touch with Germany in order that they may carry on to better advantage their propaganda for the Bolshevization of Germany, which is, they think, an absolutely necessary preliminary to the Bolshevization of Europe.

They have now brought back from the Crimea all the Red troops which overthrew Wrangel and concentrated them to the number of 100,000 men in close vicinity to the Lithuanian frontier. The only thing lacking was a good excuse for hurrying these troops against Poland, and that omission has now been supplied by Zelgowsky's seizure of Vilna. The Reds will consequently rush into the fray for the rights of small nations, as England intervened in the Franco-German war for the sake of little Belgium.

If the labor people in Great Britain and America reproach her for having disturbed the peace, she will merely point to the high ideal for which she is fighting. The Lithuanians feel sure that this is what is coming, but they derive not the least satisfaction from the expulsion of Zelgowsky from Vilna, for they know that once the Reds enter that city they will never willingly leave it.

That the Bolsheviks are concentrating troops near the Lithuanian frontier is certain. I have it from a sure source that there are already from 60,000 to 100,000 men based on Smolensk. Curiously enough, the Reds instead of concealing this concentration, are exaggerating it. The Echo, their newspaper in Kovno, is filled every day with boasts of this military concentration.

That in the Drissa-Borkovichi-Polotsk region the Reds have assembled great bodies of cavalry, that throughout the neutral zone there is going on a "rapid" concentration of infantry, corps, strengthened by artillery and armored trains. I give this latter phrase as it appears in the Echo; no one with any military knowledge can have written it, but its general meaning is clear.

Budenny Bobs Up Again.

At Drissa, the staff of Gen. Budenny, the famous cavalry leader of the Reds, has already arrived, and Budenny himself with all his horsemen is expected in a few days. Great masses of mounted troops are advancing toward the Drusa-Bredlav region, while the Poles are said to have occupied in defiance of the armistice conditions.

"It is curious," muses the same Bolshevik organ, "that the present concentration of Red cavalry is taking place almost in the same place where Budenny's cavalry pierced the Polish front last year. In fact, the present position of the Russian and Polish troops resembles very much the conditions which prevailed on the eve of Poland's last defeat. There are in all sixteen divisions of Red cavalry."

The Bolsheviks also announce that the line from Mlodochino to Orsha is now held by 150,000 Red troops—infantry and artillery—but this is undoubtedly an exaggeration. Furthermore, they say that there is a great concentration of Bolshevik divisions in the Gatchina-Pskov and Luga districts, on which account the Estonian Gen. Ledorov had to quit the Geneva peace conference on December 11 and hurry back to Revel. I might finally add that information of the most trustworthy kind which reached me today from Russia shows

that intensive military preparations are now going on in that country, and that a war with Poland in the spring is looked upon as certain. The Red armies collected near the Lithuanian frontier, with Smolensk as their base, number in all eighteen divisions, including infantry, cavalry and artillery. Besides these, there are twelve other divisions, four of them cavalry divisions, which had been employed against Petlura and Balakhovitch since the war engaged. The Reds frankly admit their intention of collecting fifty divisions in the Smolensk area. "Comrade" Minin, a member of the Red Military Council, recently visited the front at Smolensk and at a meeting which was held in his honor a resolution was carried protesting against Polish aggression and inviting the Red army to prepare for "the final and decisive battle."

When asked to express an opinion on the Soviet note with regard to Vilna, Dr. Purkela, the Lithuanian Foreign Minister, admitted that its arguments were sound in order to redress the wrongs of Zelgowsky's action," he said, "why don't they court-martial him for disobeying orders? Why don't they cease at least supplying him with ammunition, provisions and reinforcements?"

"The arguments of M. Joffe are unanswerable; nevertheless I have read enough history to understand that when a great nation suddenly goes on the war, it is in order to redress the wrongs of a small people, that small people runs a great risk of being ultimately eaten up by its large sympathizer, especially if it is not certain that once the Reds occupy Vilna they will never willingly relinquish it. Not only that, but they will almost certainly occupy Kovno and all Lithuania. Our army will, we are sure, give a good account of itself, but against the whole force of Russia we have no more chance than the Belgians had against Germany. We and the Poles are natural allies, coreligionists, equally determined adversaries of Bolshevism, but at the very moment when we should be forming a common front against the common enemy the Poles seize our principal city."

Reds Seek Touch With Germany.

For some reason or other the Reds are extremely desirous of having a common frontier with Germany. It may be for trade reasons that they wish to be in touch with Germany or it may be for other reasons, but judging from the reports in the newspapers the Germans are not quite so enthusiastic about having the Reds as next door neighbors. It is stated that on December 10 two Prussian divisions arrived at Eydtkuhnen and formed along the frontier a line of pickets separated from one another by a space of from 100 to 200 paces, the object being to prevent terrorists and propagandists from getting into German territory.

However, the fact remains that the Reds are, as I have already said, extremely desirous of having a common frontier with Germany, and they are equally desirous of getting their own back at the Poles. They are also convinced that their strategic position vis-à-vis Poland will be incomparably stronger if they conquer and annex Lithuania, and they attribute their disaster last summer to the fact that they had neglected to occupy this country.

So far as concerns what Dr. Purkela said of another Russo-Polish war in the spring, I might add that all the information I have been able to get from Revel and my personal observations of the Peace Conference at Riga make me sure that there will be no permanent peace just yet between Russia and Poland. Even if Vilna is returned to Lithuania Russia will find some other cause of offence, and Poland is as anxious for a renewal of the war as Russia.

FRENCH CABINET IN DISASTROUS FALL

Continued from First Page.

of confidence and that he would stand or fall with it.

Deputy Bonnevay then exploded his dynamite cartridge under the Cabinet, saying the Republican majority could no longer grant confidence in the Government in a blind manner and that the Premier must explain the Government's policies. The Cabinet members seemed stunned, all the Ministers sitting motionless in their seats as the Chamber, in an uproar, demanded an immediate vote, which Raoul Peret, President of the Chamber, granted. There was no doubt the Government was doomed, but great surprise was expressed when the figures, 462 against and 125 for the Cabinet, were announced.

What the National Bloc Is.

The National Bloc is composed of 312 solid votes and resulted from former Premier Clemenceau's programme against the extremists in the November, 1919, elections. The bloc is not reactionary, but consists mostly of moderate Republicans, with a sprinkling of radicals and also a few Royalist Deputies. Their programme is integral enforcement of the Versailles treaty. Many Deputies are anxious that the day of the "All Star Cabinet" is at hand, with former President Poincaré and ex-Premiers Viviani, Barthou and Briand in the portfolios of Finance, Foreign Affairs, Interior and War. Such a Cabinet politicians have been discussing since the retirement of Clemenceau. If such a combination should be made, it is said M. Poincaré would assume the Ministry of Finance and M. Briand that of Foreign Affairs.

M. Leygues was Minister of Marine in the Clemenceau Cabinet. The chief questions of Government policy which have confronted him since he became Premier related to the Treaty of Versailles, and of these the disarmament of Germany and reparations were the principal ones. There is considerable divergence of opinion between the prevailing French sentiment and that of other allied nations as to the method of dealing with these questions, the French in general disparaging too many concessions to Germany in view of France's greater dependence upon the reparation payments and the fact that her proximity to Germany demands as a guarantee of safety that Germany be deprived of the means of again becoming a great military power.

ANNUAL REPORT OF THE Lawyers Mortgage Company

Richard M. Hurd, President

JANUARY 1, 1921.

Guaranteed Mortgages have maintained their position as the premier security of the world during the trying times of deflation and readjustment, as well as during the strain of the World War. Not a dollar has been lost by holders of our Guaranteed Mortgages while the holders of stocks and bonds have suffered from violent fluctuations and the owners of standard commodities have seen their holdings drop from twenty to sixty per cent. in value.

Since the Lawyers Mortgage Company was organized it has guaranteed \$616,423,124 of Mortgages, of which \$478,618,887 have been paid in full, leaving now outstanding \$137,804,237.

1920 1919 1918

Gross Earnings \$1,583,976 \$1,211,391 \$1,047,6

Expenses, incl. Reserves. 741,316 445,513 527.3

Net Earnings \$842,660 \$765,878 \$520,321

ASSETS LIABILITIES

N. Y. City Mtes. \$7,521,015.79 Capital \$6,000,000.00

Acc'd Int. Receivable 117,807.51 Surplus 3,000,000.00

Co.'s Office Bldgs. 1,116,234.58 Undivided Profits 500,477.74

Real Estate 236,102.08 Mtes. Sold, not del. 265,049.71

U. S. Treasury Cfts. 400,000.00 Mtg. Nassau-Mt. Lane 438,000.00

Cash 1,165,477.48 Reserve for Taxes 163,567.00

\$10,556,637.45 \$10,556,637.45

Assets and Liabilities verified by The Audit Co. of N. Y.

The Outstanding Guaranteed Mortgages of the Company are divided among the customers of the Company as follows:

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1,557 Trustees 31,335,537

5,131 Individuals 62,080,983

217 Charitable Institutions 12,321,128

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18 Trust Companies 7,026,600

6,997 \$137,804,237

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Continuing the 47th Semi-Annual Sale of SAMPLE HOSIERY

Women's Silk Hose, \$1.59 pair

Mostly ingrain, all silk in various weights. All have double welt tops and reinforced heels. All sizes. Black, white, street and evening shades. Included in the lot is a number of pairs of ribbed hose, mostly black and white. Every pair full fashioned. "Run of the Mill."

Women's Silk Hose, \$1.19 pair

These are lisle top, full fashioned in a variety of weights. They have double garter tops, reinforced heel, sole and toe. For all-round wear these stockings are excellent. Black, white, street and evening shades. All sizes. "Run of the Mill."

Women's Hose, 69c pair

Consisting of seamless silks and fibres in drop stitch, lace and two-tone effects. Every pair perfect.

Women's Sample Cotton Hose 29c pair

A variety of weights in cotton hose; every pair perfect. Black, white and colors.

Women's Sample Lisle Hose, 39c pair

Included in this lot are mock seam lisle and cotton, in black, white and colors. A variety of weights; every pair perfect.

Women's Sample Lisle and Cotton Hose, 49c pair

This lot consists mostly of full fashioned lisle and cotton hose, in black and white and colors. Every pair perfect.

Men's Silk Socks, \$1.19 pair

Tax 2c.

Ingrain silk socks, good weight; in black and colors. Extra reinforced heel, sole and toe. "Run of the Mill." All sizes.

Men's Samples, 49c pair

Included in this lot are full fashioned lises, seamless lises, and seamless silk socks. Mostly black and white. Some colors. Every pair perfect. Two-toned effects in part wool socks, well-wearing and a warm winter weight.

Men's Silk Socks, 69c pair

"Run of the Mill"

Full fashioned with lisle tops and soles. A well-wearing hose. Black, white and street shades. A few fancy lises included in this lot. All sizes.

Men's Silk Hose, 98c pair

Every pair perfect. A choice lot consisting of men's fancy seamless socks. Two-tone effects, ribbed and plain; also a lace clock effect. Every pair perfect. Sold in regular stock up to last week at \$1.98.

Men's Sample Cotton Hose, 29c pair

Medium weight in black, white and colors. Every pair perfect.

Men's Sample Lisle Hose, 33c pair

Included in this lot are some medium weight cotton and a varied assortment of lisle hose. Black, white and colors. Every pair perfect.

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